



## TERMS & CONDITIONS (SUPPLIER AGREEMENT)

1. **PARTIES:** Moebius Precision, Inc. or any specified subsidiary, affiliate or authorized agent of Moebius Precision, Inc. ("Buyer"), and the recipient of the affected purchase order ("Supplier"). Buyer reserves the right to extend the terms of this purchase order to any of its subsidiaries. Terms and conditions contained in any Buyer purchase form used in conjunction with this purchase order are incorporated herein in its entirety by express reference.
2. **ENTIRETY OF AGREEMENT:** Any other statement, notice or agreements to the contrary notwithstanding, any written acknowledgment of this purchase order or the shipment of any material or the furnishing of any services pursuant to this purchase order shall constitute acceptance by Supplier of each and all of the terms and conditions stated herein and, on the face, hereof. This purchase order shall constitute the entire agreement between the Supplier and Buyer regarding the articles, materials or samples ordered ("Items"). **There may be no substitutes, or variation from specifications or instructions, or partial shipments of the Items, without prior written approval from Buyer.** If any or all of the terms and conditions contained herein are not acceptable to Supplier, the Supplier shall advise Buyer in writing upon receipt of this purchase order and shall withhold shipment of all Items until the disputed terms are adjusted.
3. **PACKAGING AND SHIPMENT:** Unless otherwise specified on the face of this purchase order, all Items shall be delivered FOB destination. Items shall be routed according to instructions on the face of this purchase order or, in the absence of such instructions; they shall be shipped at the lowest cost possible. In no case shall Supplier declare any value on the shipment nor procure insurance on a shipment if the charge for insurance is to be billed to the Buyer.
4. **DELIVERY:** The parties have agreed to the delivery dates established herein and Buyer's delivery schedules have been based thereon. Any future delivery dates will be established by agreement between the parties. If the Supplier is unable to make delivery of any Items on the date specified, then the Supplier shall give notice to Buyer of Supplier's inability to make timely delivery with the reasons therefor as soon as such inability is known to Supplier. Unless delay is due to causes over which Supplier may reasonably be expected to have control, Buyer reserves the right, together with any other rights it may have by law to purchase elsewhere and charge Supplier with the difference between the price paid and the price set forth in this agreement, or cancel all or apportion of the purchase order, at Buyer's option. In the event Buyer elects to cancel a purchase order upon Supplier's inability to deliver on time, Buyer shall be credited with that amount toward the total amount purchased. Acceptance of late deliveries shall not release Supplier of the obligation to make future deliveries in accordance with the Items delivery schedule established herein. Title of goods shall pass to Buyer upon receipt of the Items at the destination designated on the face of this purchase order and Supplier assumes all risk of loss, until Buyer accepts delivery at such destination.
5. **ACCEPTANCE:** Acceptance of all the Items is subject to Buyer's inspection and approval. Defective Items will be returned at Supplier's expense and the price thereof deducted from amounts due by Buyer hereafter. As applicable, all Items shall be made from a single lot or batch and the Supplier shall maintain traceability to the original lot. If, because of sampling inspection, any Items, portions of a lot or shipment of such Items are found not to be in conformity with this purchase order, Buyer may reject and return the entire shipment or lot without further inspection or at Buyer's option may complete inspection of all Items in the shipment or lot, reject and return any or all non-conforming Items or accept such non-conforming Items at a reduced price. Buyer's acceptance of any non-conforming Item shall not constitute a waiver of any specification requirement for any additional Items required to be delivered hereunder. Payment as specified on the face of this purchase order is specifically conditional upon acceptance of Items by Buyer. However, payment shall not be deemed to waive any warranty as described in Paragraph 6, hereto.
6. **WARRANTY:** Supplier warrants that all Items to be delivered hereunder shall be merchantable, free from defect in workmanship and material, and shall conform to the relevant published specification. Buyer shall not be deemed to have waived any warranty by reason of receipt of or payment for the Items. Buyer's acceptance of Items shall not be deemed to waive any warranty as to any defect or unfitness not discovered in Buyer's inspection and test, if the Buyer gives the Supplier notice of any defect or non-conformity within one (1) year from the date of delivery of any Item affected thereby, the Supplier shall, at no cost to the Buyer, provide replacement Items in an expedient manner and time, or refund the purchase price for such Items, at the option of the Buyer. All warranties shall run both to Buyer and to Buyer's customers.
7. **PRICE:** The Supplier warrants that the prices set forth herein are as low as any list price now given by the Supplier to any other customer for like Items and quantity and agrees that if during the pendency of this purchase order lower list prices are quoted to any third party for similar Items, such lower list prices shall be from that time substituted for the prices contained herein. If during the terms of this purchase order the Buyer can purchase Items of similar quality and in a quantity not more than herein specified and upon like terms and conditions at a price lower than the price named here in Supplier, upon receipt of satisfactory written evidence of same, at its option will meet such lower price. The quantity so purchased by the Buyer from a third party shall be deducted from the quantity covered by this purchase order.
8. **MANUFACTURE:** If this purchase order is identified as a blanket purchase order, Buyer will release specific quantities of Items against this purchase order in accordance with Buyer's needs. Releases will be noticed to Supplier by Buyer making references to this purchase order by number. Release dates will be given as far in advance as possible to permit Supplier to schedule production accordingly. Supplier shall not manufacture any parts of this order except as released by the Buyer, and the Buyer's only liability for Items so manufactured shall be as agreed in Section 9 below.
9. **TERMINATION OR CANCELLATION:** Buyer may at any time by written notice terminate for its convenience or cancel for Supplier's breach all or any part of this purchase order. If this purchase order is terminated at the Buyer's convenience prior to the time that the full amount specified on this purchase order has been released by the Buyer, then the bill back schedule as specified on the face of this purchase order shall apply, except that any bill back price shall not exceed the lowest price then being quoted by the Supplier for the same quantity to any other customer. If there is no bill back schedule on the face of this purchase order, then no bill back shall apply. The total of any claims under the application of a bill back schedule, if applicable, shall not exceed the canceled commitment value of this purchase order. If this purchase order is canceled for Supplier's breach, Supplier shall not be entitled to and shall have no claim against Buyer for any costs incurred or any profit with respect to the terminated or canceled portion of this order and the bill back schedule shall not be applicable. The Buyer shall be entitled to cancel a purchase order any time prior to an order filled by the Supplier. In the event of the institution of any proceeding against the Supplier, voluntarily or involuntarily, in bankruptcy or insolvency, or for the appointment of a receiver or trustee, or in the event of an assignment for the benefit of creditors of Supplier, Buyer shall be entitled to cancel this purchase order immediately upon giving notice of termination without liability, including liability for loss of anticipated profits.
10. **REMEDIES:** Supplier's sole remedy in the event of breach of contract by Buyer shall be the right to recover damages in the amount equal to the difference between market price at the time of breach and price on the face of this purchase order price. No alternate method of measuring damages shall apply, and Supplier shall not be entitled to recover incidental damages as defined in <State>Commercial Code.

Supplier shall have the right to resell Items for Buyer's account in the event of wrongful rejection, revocation of acceptance, failure to make payment or repudiation by Buyer and any resale so made shall be for the account of Supplier.

11. **MODIFICATION:** Buyer may at any time and from time-to-time by purchase order amendment issued to Supplier change: (a) the method of shipment or packaging; (b) the drawings, designs or specifications; or (c) the place of delivery.

12. **PATENT INDEMNITY:** Supplier agrees to indemnify Buyer and its customers against any loss, damage or liability, including costs and expenses for actual or alleged infringement of any patent, copyright, trademark or other proprietary right arising out of use or sale by Buyer or Buyer's customers of Items purchased hereunder; provided Buyer shall notify Supplier of any such claim or demand involving such infringement and shall permit Supplier an opportunity as is afforded by applicable laws, rules and regulations to participate in the defense hereof. Such indemnification shall not apply where Items are manufactured according to Buyer's design and specifications. If an injunction is issued because of any such infringement claim, Supplier agrees to refund to Buyer the amount paid to Supplier hereunder for all such Items.

13. **CONFIDENTIALITY:** Supplier shall keep confidential all information, drawings, specifications or data and return to Buyer immediately upon request all documents furnished by Buyer and marked "Confidential" and shall not divulge or use such information, drawings, specifications or data for the benefit of any other party. Supplier shall not advertise or make public in any manner the existence of this purchase order or any contents hereof without the Buyer's prior written consent.

14. **TOOLING AND MATERIALS:** Any materials supplied by Buyer for use in connection with this purchase order on other than a charge basis shall be deemed as held by Supplier on consignment and Supplier agrees to pay for all such materials. Unless otherwise specified, all necessary tools, including gauges or fixtures required to execute this purchase order are to be supplied by Supplier. When Buyer is to pay tool charges for such necessary tools, dies, gauges, jigs, fixtures and the like, or when such Items are to be furnished by Buyer on a no charge basis, such Items or equipment shall be and remain Buyer's property and shall be held by Supplier on consignment and are to be used exclusively for Buyer's product unless directed otherwise. Supplier undertakes to maintain such equipment in satisfactory working condition and to keep it fully covered by insurance always all without expense to Buyer. It is understood and agreed that said tools may be removed by Buyer at any time and shall not otherwise be disposed of by Supplier without specific permission in writing. Material manufactured by Supplier in accordance with Buyer's design shall not be supplied to any third party without Buyer's written permission.

15. **ASSIGNMENTS:** Supplier may not assign any rights under this purchase order or any portion hereof except that claims for money due or to become hereunder may be assigned by Supplier to a bank, trust company or other financial institution including any federal lending agency. Payments due to an assignee of any moneys due to become due thereunder shall be subject to set off or recoupment for any present or future claim or claims, which Buyer may have against the Supplier arising under this or other purchase order.

16. **COMPLIANCE WITH LAWS:** Supplier represents that it has and will continue during the performance of this purchase order to comply with provisions of all federal, state and local laws and regulations. By acceptance hereof, Supplier certifies its compliance with "Fair Labor Standards Act" 1938 as amended and regulations thereunder in the performance of this order. Supplier warrants that all Items furnished under this purchase order, when used by Buyer in the ordinary manner for which they are entered, shall not violate the applicable provisions of the Occupational Safety and Health Act of 1970, as amended, or any standards or regulations issued thereunder.

17. **APPLICABLE LAW:** This purchase order is to be construed and interpreted in accordance with the laws of the State of Michigan.

18. **WAIVER:** No waiver of either party or any breach of this purchase order shall be held to be a waiver of any other or subsequent breach. All rights and remedies available to the Buyer shall be taken and construed as cumulative, that is, in addition to any other rights and remedies provided herein or by law.

Definitions – Buyer – Moebius Precision; Supplier – External Provider

### Moebius Precision

a) Will provide the suppliers with relevant technical data wherever necessary (including but not limited to prints, specifications). The suppliers are expected to adhere to the requirements of the data provided. There may be no variations or substitutes from specifications or instructions of the products without prior written approval from the buyer.

b) Reserves the rights to reject a part/parts subject to its inspection and approval procedures. Defective items will be returned for rework or replacement at the supplier's expense. For product release and shipping, Moebius requires the supplier to send a certificate of compliance and all test results, when requested.

c) Requires that the supplier has the required qualified personnel and competence for the job specified. It is the supplier's responsibility to determine the qualified people, unless otherwise specified by the buyer.

d) Requires that the supplier responds to any questions that the buyer may have regarding the product in a timely manner. Additionally, the supplier is expected to communicate effectively with the buyer regarding any questions they may have regarding the product. If the supplier is unable to make delivery of any parts on the date specified, they shall give prior notice to buyer with appropriate reasons.

e) Will monitor supplier performance (including but not limited to OTD, scrap) and communicate with the supplier regarding their performance. The buyer reserves the rights to remove the supplier from their approved suppliers list if the supplier performance is found to deteriorate over a defined period.

f) Or their customer shall reserve the rights to perform verification or validation activities at the supplier's site. Prior communication will be established by the buyer with the supplier before doing so.

g) Will provide the supplier with information regarding special requirements, critical items or key characteristics where applicable. Supplier shall keep confidential all special information, drawings, technical data or specifications and return to buyer immediately upon request. This data shall not be divulged or used for the benefit of other parties. Supplier shall not make public in any manner the existence of the purchase order and the information regarding the buyer product without prior written consent from the buyer.

h) expects the supplier to follow an appropriate inspection method for approving products.

i) Will specify, where applicable, the need for statistical information from their suppliers for the acceptance of products by the buyer.

j) requires the supplier to follow procedures and implement a Quality Management System. The buyer requires the supplier to outsource parts, if at all required, from the customer designated or approved external providers including process sources. The supplier is expected to notify the buyer in case of any nonconforming process, products or services and obtain approval for their disposition. The supplier shall follow a procedure to prevent the use of counterfeit parts. The supplier must inform the buyer if there is a change in process, location of manufacturing or external providers and obtain approval. The supplier must provide test specimen for design approval, inspection, investigation or auditing whenever asked. If a supplier is outsourcing the buyer's product, the supplier is expected to adequately flow down the information, including any requirements of the buyer. Documented information should be retained for a period of at least 30 years after which they should be marked "OBSOLETE" and kept separate and/or disposed.

k) As well as their customers and regulatory authorities reserve the rights to access the applicable areas of the facilities and the applicable documented information at any level of the supply chain.

l) Expects the supplier to be aware of their contribution to product or service conformity, product safety. The supplier is also expected to understand the importance of ethical behavior as defined by AS9100D.